



# Hawaii & Pacific Basin NEWSLETTER

June 2013



**Your Farm Service Agency Online Monthly Newsletter Covering the Latest Topics**

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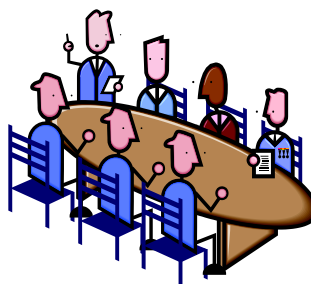
## Farm Service Agency County Committee Nominations

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee (COC) members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 17, 2013 through August 1, 2013. For more information contact your local FSA office.



## Natural Disaster Losses? Contact FSA

The Farm Service Agency (FSA) administers agricultural assistance for natural disaster losses, resulting from drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities. If you have experienced a loss on your farm or ranch due to a natural disaster, be sure to contact your local FSA office right away to report your loss and discuss possible FSA assistance eligibility.

Note that some FSA disaster assistance programs require advance enrollment and payment of a service fee. The Noninsured Crop Disaster Assistance Program (NAP) covers key crops and forage crops for which there is no program of commercial insurance. The NAP Forage program requires advance enrollment by December 1 prior to the crop year and also requires that the producer notify FSA within 15 days of the loss event or when the loss first becomes evident. Federal Crop Insurance Corporation contracts may also require that the producer file a report of loss with the FSA in a timely manner.

In addition to NAP, currently funded FSA Programs that assist in natural disasters include the Emergency Conservation Program (ECP) and the Emergency Loan Program (EM) which is triggered by the United States Department of Agriculture Secretary's Disaster Declaration.

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**Hawaii County FSA Hilo**  
154 Waiuanue Ave,  
Rm 219  
Hilo, HI 96720  
Ph: (808)933-8381 x 1  
Fax: (808)933-8345

**Kona**  
The Kona Office is closed  
until further notice. Please  
call (808)933-8381 x 1 for  
service or information

**Honolulu County FSA**  
99-193 Aiea Heights Dr,  
Suite 114  
Aiea, HI 96701  
Ph: (808)483-8600 x 2  
Fax: (808)483-8615

**Kauai County FSA**  
4334 Rice St, Rm 103  
Lihue, HI 96766  
Ph: (808)245-9014 x 2  
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**Maui County FSA**  
77 Hookele St, Ste 201  
Kahului, HI 96732  
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Fax: (808)873-6183

**Guam FSA Office**  
770 East Sunset Blvd.  
Suite 265  
Barrigada, GU 96913  
Ph: (671)472-7568  
Fax: (671)472-7580  
CNMI (670)234-0896

**American Samoa FSA**  
Pago Plaza Building  
Suite 213  
Pago Pago, AS 96799  
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**Hours**  
Monday—Friday  
8:00 am—4:00 pm

**Website**  
[www.fsa.usda.gov/hi](http://www.fsa.usda.gov/hi)

## CREP and Continuous CRP Available

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that reduces sedimentation and nutrient runoff, increases coral reef health, decreases erosion, improves and restores wildlife habitat for endangered species, reduces and controls invasive species and safeguards ground and surface water. Hawaii CREP is a partnership with federal and state government to encourage conservation and environmentally sound practices on degraded lands.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program or Continuous CRP participants will be eligible for both annual rental payments and cost-share payments of up to 50 percent on approved practices. A Signing Incentive Payment of \$100 per acre and a Practice Incentive Payment of up to an additional 40% of the cost share are available and subject to an annual payment limitation. These programs will remain funded, and continue to provide heightened environmental protection for enrolled acres.

## Banking Changes?

If you changed banks and did not notify Farm Service Agency (FSA), your payments could be delayed.

Payments are electronically transferred into your bank account, if FSA is not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the FSA office if you close your account or if another financial institution purchases your bank. It is important that any changes in a producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.



## Sodbusting



Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs. Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If the Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production if they wish to protect their farm program eligibility.

## Special Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency (FSA).

If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will make any needed arrangements.





## Payment Limitations



All payment eligibility and payment limitation provisions, including Adjusted Gross Income (AGI) limitations, are extended for the 2013 crop year, program year, and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payment and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity.

### Contributions

All partners, stockholders or members with an ownership interest in the legal entity must make a contribution, whether compensated or **not** compensated, for:

- Active personal labor,
- Active personal management,
- A combination of active personal labor and active personal management to the farming operation.

Note that there are exceptions for spouses. Additional information on payment limitations is available at Farm Service Agency county offices or online at:

[www.fsa.usda.gov](http://www.fsa.usda.gov)

## Farm Reconstitutions

For Farm Service Agency program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution or “recon” is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

## FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for Farm Service Agency (FSA) and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.



Spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents. For more clarification on spousal signature authority, contact your local FSA office.

## Controlled Substances

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-Insured Crop Disaster Assistance Program payments or disaster payments.



Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- For up to 5 years after the first conviction
- For up to 10 years after the second conviction
- Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

- Up to one year upon the first conviction
- Up to five years after a second or subsequent conviction.

## Microloan Meets Micro Producer's Needs



**Ane Toetu is a regular at the Fagatogo Marketplace farmer's market in Pago Pago, American Samoa selling taro, Samoan oka (raw fish in coconut juice), lamb with taro leaves, & turkey tail with leaves; all cooked in a Samoan Umu (outdoor oven). Toetu received a loan from FSA to help repair an outdoor kitchen that she uses to prepare delicious Samoan delicacies from local produce to be sold at the market!**

On an island that's only 76.1 square miles in size "micro" is the norm for American Samoan producers. Farms average about 0.5 to 2.4 acres, which might be considered "micro" in comparison to commercial operations in Hawaii or the US mainland; yet, they operate as commercial businesses supplying residents, restaurants, business and schools with fresh-island produce and value added products. These smaller farms are often faced with limited financing options, so the Farm Service Agency's (FSA) new Microloan Program has been a welcomed resource. Farm Loan Program Technician Letisha Gaoa, with FSA's American Samoa Field Office, has been spreading the word on this great addition to the Agency's programs.

"The Microloan Program is the perfect fit to our local producers, and I'm happy to report we've already closed four (4) loans with one (1) other inquiry currently in progress since the program kicked off in February 2013," shared Gaoa. "The Microloan Program serves the unique financial operating needs of beginning, niche and the smallest of family farm operations; and the simplified application, eligibility and security requirements have made our producers' dreams even more accessible than before. The average

loan inquiry in American Samoa is between \$3000 and \$5000, so FSA has been able to take almost all new inquiries via the Microloan Program. These smaller farms, including non-traditional farm operations, often face limited financing options" said Gaoa.

### What are you doing on Friday night?

In American Samoa that's the night to swing by the Fagatogo Marketplace for live music, entertainment, food and plenty of fresh produce and local food delicacies. The American Samoa Department of Agriculture, along with the Department of Commerce, received so much positive feedback on the Marketplace event that it is now held every Friday evening. It's estimated that 200 to 400 people stop by the Marketplace with produce sales and activities kicking off at 5 pm. You'll find a solid stream of diners, shoppers, and onlookers throughout the night. The popularity of the weekly Marketplace event has made it an ideal location to reach producers, so Letisha Gaoa recently connected with over 35 producers at the event on June 7<sup>th</sup> to distribute information and "talk story" with producers about the Microloan Program in addition to the other programs offered by the American Samoa FSA Field Office.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven (7) years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the Agency's operating loan rates that are in effect at the time of the microloan approval or microloan closing, whichever is less.

Through the Microloan Program the American Samoa Field Office has been able to help producers to increase production capacity and to refine their safety and health compliance to above and beyond the regulatory standards. Loans have been used for everything from the purchase of fertilizers, chemicals and tools, to renovations, to the certified kitchens where the value added products are made. The impact that these loans are making in American Samoa is anything but micro to the producers, most of who rely on the farm for their sole source of income to support their families. For more information about the Microloan Program contact your local FSA County Office to make an appointment with Farm Loan Program staff.

### **Need Information?**

The Hawaii and Pacific Basin Farm Service Agency (FSA) internet site contains news and information on FSA programs, an FSA Calendar, and hot links to other agricultural related sites.

**Find the information you are looking for at: [www.fsa.usda.gov/hi](http://www.fsa.usda.gov/hi)**



## Direct and Guaranteed Loans

The Farm Service Agency (FSA) is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

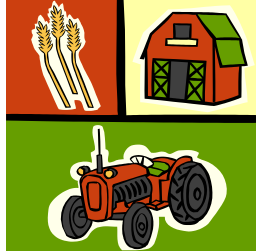


Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Guaranteed loans have a maximum limit of \$1,302,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,602,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

## Beginning and Limited Resource Loans

Farm Service Agency (FSA) has a program to assist beginning farmers and/or women and minority farmers and ranchers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:



- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Additional program information, loan applications and other materials are available at the local United States Department of Agriculture Service Center or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.



The maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost of the eligible storage facility or permanent drying and handling equipment. New loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

A partial disbursement of funds is available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the Farm Service Agency (FSA) county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin. For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

Farm Loan Programs	
Farm Operating - Direct	1.25%
Farm Ownership - Direct	3.375%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	2.25%
Limited Resource	5.00%
Microloan	1.250%



## Hawaii Agricultural Mediation Program

The United States Department of Agriculture (USDA) has certified the Hawaii Agricultural Mediation Program (HIAMP) to provide mediation services to the agricultural community in the state of Hawaii. The program is intended to assist agricultural producers, their lenders and other persons directly affected by the actions of the USDA in resolving disputes. Through the mediation process, a trained, impartial person (mediator) helps participants review their conflicts, identify options and agree on solutions.

Mediation is a voluntary and confidential alternative to the traditional legal and regulatory process, and it is offered as part of the Department's informal appeals process; however, mediation must be requested before an appeal hearing is held with the USDA National Appeals Division. It is not intended to override or supersede any existing federal regulation or procedures. Services under HIAMP are made available free of charge for USDA related cases.

For more information visit: [www.hiamp.org](http://www.hiamp.org).

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).

## Dates to Remember

June 17, 2013 and ongoing through August 2013	COC nomination period
June 21, 2013	Oahu - Waimanalo Taro Field Day UH Waimanalo Research Station
July 10, 2013	Oahu - Financing Your Farm Workshop / Register at: <a href="http://hsbdcn.ecenterdirect.com/Conferences.action">http://hsbdcn.ecenterdirect.com/Conferences.action</a> (FSA Presentation)
July 13 & 14, 2013	Hawaii State Farm Fair
September 9, 2013	Deadline to apply for emergency loans due to drought in Hawaii and Maui Counties
Ongoing	Hawaii Conservation Reserve Enhancement Program (CREP) Sign-up

